



North American Agent & Broker 2024 Year-end Merger & Acquisition Report

January 2025

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2024 Agent M&A Report



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Observations & Comments

- This past year may be best remembered for very large transactions rather than for the total deal flow. While there were 750 announced transactions in the industry, which was 10% below the prior year count, three transactions garnered the most attention:
 - In April AON purchased NFP (\$2.2 billion in revenue and #13 on the Business Insurance Top 100 in 2022) for \$13 billion.
 - In November Marsh McLennan Agencies (MMA) closed on McGriff Insurance Services (\$1.3 billion in revenue and as a stand-alone operation McGriff would have ranked #14 on the Business Insurance list) for \$7.75 billion. This deal did not include the CRC wholesale and other business units owned by TIH Insurance Holdings.
 - In December Arthur J. Gallagher announced an agreement to acquire AssuredPartners (\$2.9 billion in revenue and #11 on the Business Insurance list) for \$13.45 billion. While this deal is expected to close Q1 2025 and is not included in tallies in this report, the magnitude warrants a comment here.
- Aon, Marsh, and Gallagher further cement their roles as the three largest insurance brokers in the world with these purchases and more significant players in the U.S. middle market. It won't be surprising to see other large private equity-backed deals in 2025.

Observations & Comments

(continued)

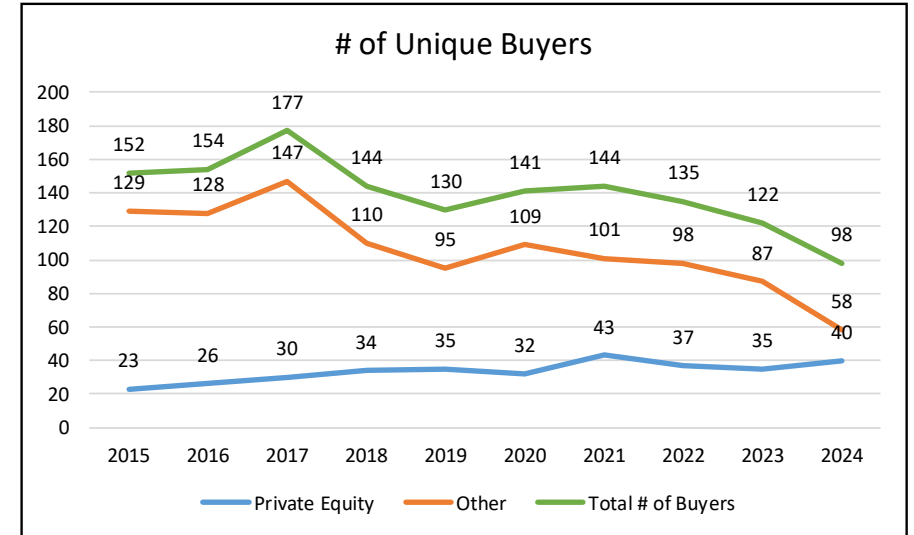
- The bigger picture in our industry is more sedate. We noted last year that there was a consistency to the volume of transactions throughout the year, and the same can be said for 2024. Deal volume ranged from the mid-40s to the mid-70s in any given month, and again there was no mad-dash to the finish line at year end. This is a similar pattern to the pre-pandemic deal environment.
- Over the last 10 years, we find that eight firms accounted for 42% of the deals. The chart to the right shows how several of the most active acquirers are well below their 10-year average. Only Broadstreet has materially increased its rate of deal making.
- At their peak, these eight firms accounted for 48% of the deal volume between 2017-2019. In 2024, they accounted for 36%.

Buyer	10-Year Total	Total 2024	'24-'23 Change	'24 v 10 yr Average
Acrisure	807	24	-33%	-70%
Hub International	566	61	-8%	8%
BroadStreet Partners	441	90	53%	104%
AssuredPartners	341	19	-27%	-44%
Arthur J. Gallagher	292	31	-14%	6%
PCF Insurance	232	16	700%	-52%
World Insurance Associates	225	16	-56%	-29%
Alera Group	215	16	14%	-40%
Sub-total	3,119	273	-1%	-12%
All Others	4,237	477	-13%	5%
Totals for Year	7,356	750	-10%	2%

Observations & Comments

(continued)

- There were 794 unique buyers during the last 10 years. As seen in the chart to the right, the private-equity group has increased somewhat, but all other buyers (notably privately-owned buyers) has declined.
- Within the other category were 522 unique buyers, and ten firms accounted for over 40% of the deals.
- The preceding is indicative of a consolidating industry, as a large number of sellers are purchased by fewer buyers. We expect to see this trend continue, albeit at a slower rate. The industry continues to have an ample inventory of firms that will sell over the next 10 years, and there is no diminution of capital looking to invest in the industry.
- Such inorganic growth will require capital, and so there's an expectation that recapitalizations, large transactions, and perhaps IPOs will be announced in the next 12-24 months.



Highlights of 2024 M&A Activity

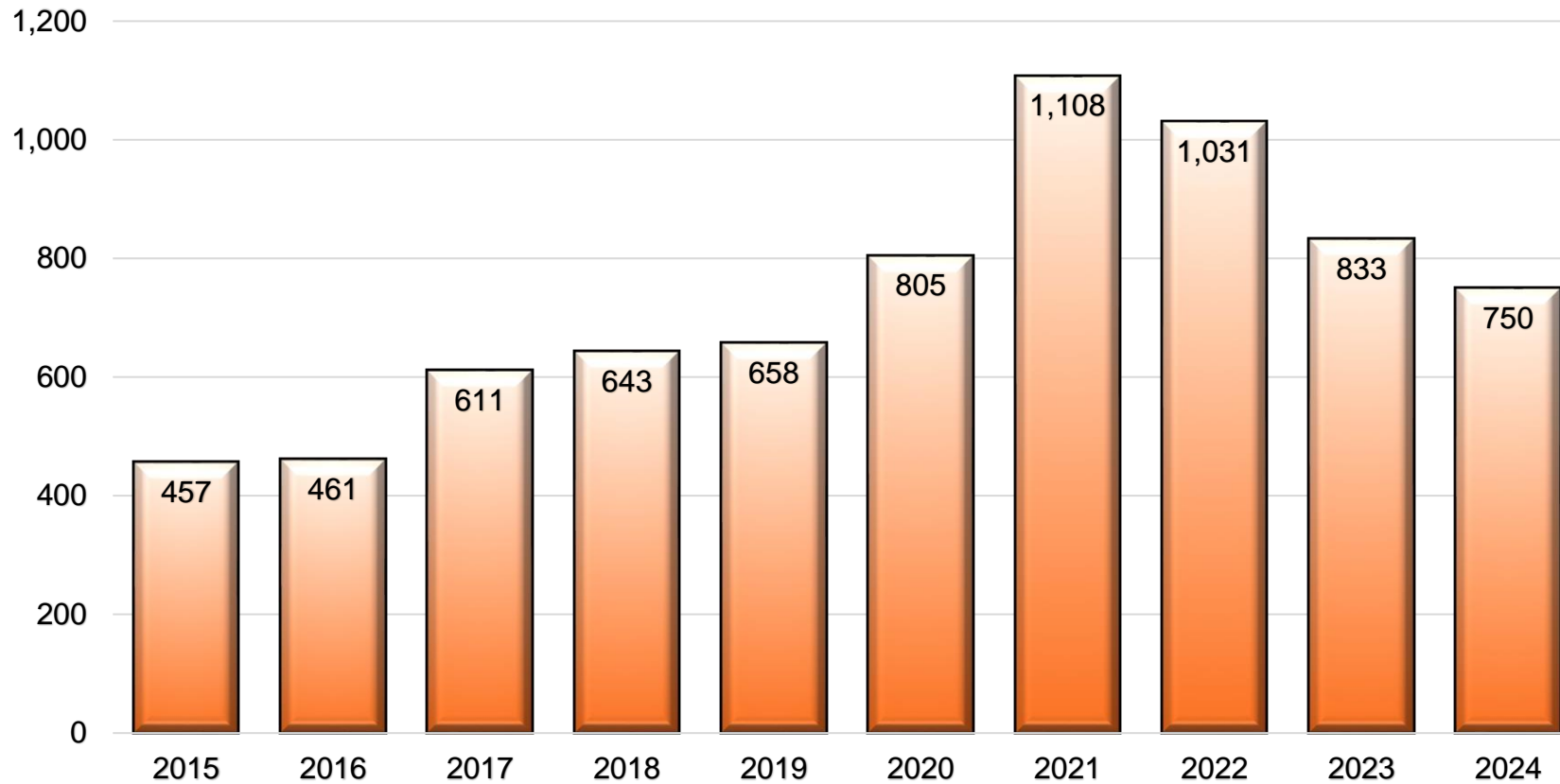
- 750 total deals in 2024, down 10% from 833 in 2023 and 15% below previous 5-year average
 - 699 retail, wholesale, and TPA transactions in 2024, down 7% from 755 in 2023
- 199 deals in Q4-2024, 16% less than same period in 2023 and 30% below the prior 5-year average
- Broadstreet led buyers with 90 deals in 2024, up 53% from 2023; up 94% over the 5-year average
- Following were Hub International (61 deals in 2024, down 8%), Inszone (48, up 4%), and Patriot Growth Insurance Services (35, down 3%). PCF returned after a pause in deal activity and did 16 transactions compared to 2 in 2023. ALKEME (21, up 75%) and Broadstreet have steadily increased their deal activity while World Insurance Associates' count declined (16, down 56%)

Highlights of 2024 M&A Activity

(continued)

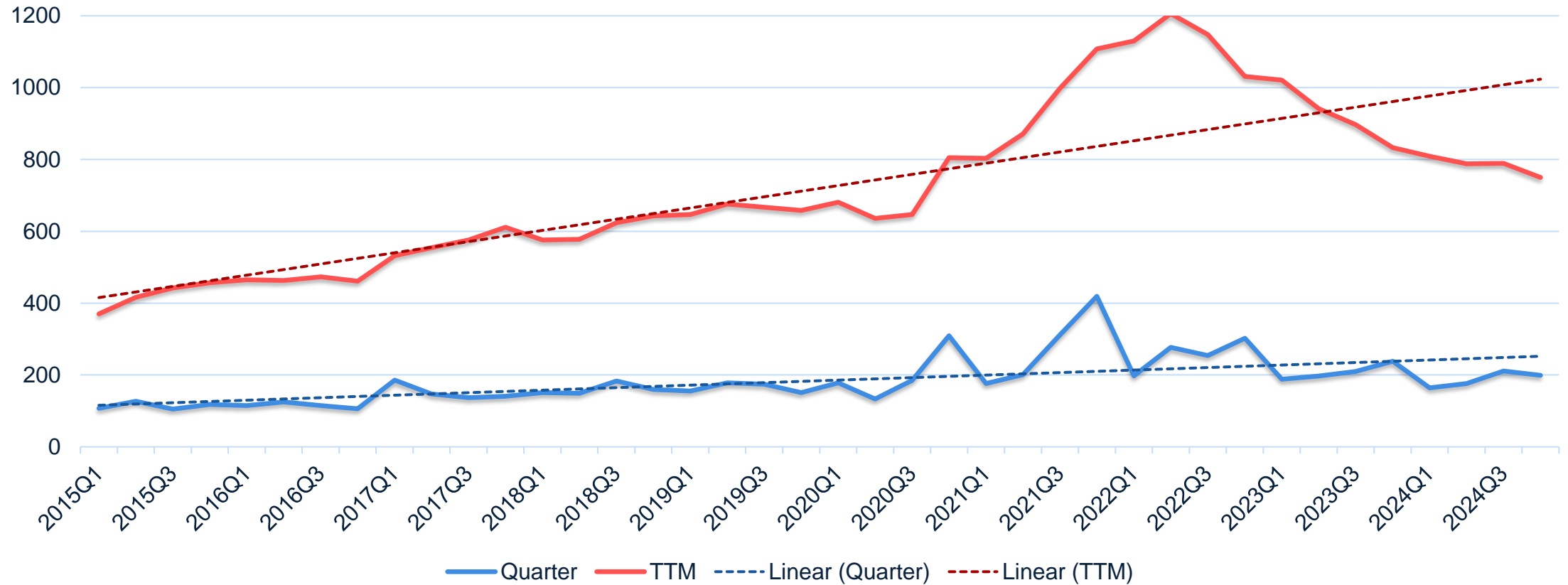
- Deal volume was lower for all buyer categories in 2024 except for the publicly traded brokers:
 - MMA tripled its deal count to 12 in 2024, 76% higher than the 5-year average
 - AON, not a historically active buyer, picked up 15 transaction in 2024 from its acquisition of NFP. We removed NFP from the private equity/hybrid category and combined with AON in the publicly traded category. The combined firm is listed as AON/NFP for our reporting purposes.
- Private Equity/Hybrid buyers completed 72% of the 2024 transactions; this group accounts for 69%-75% of the transactions in each of the last 7 years

Agency Acquisitions By Year

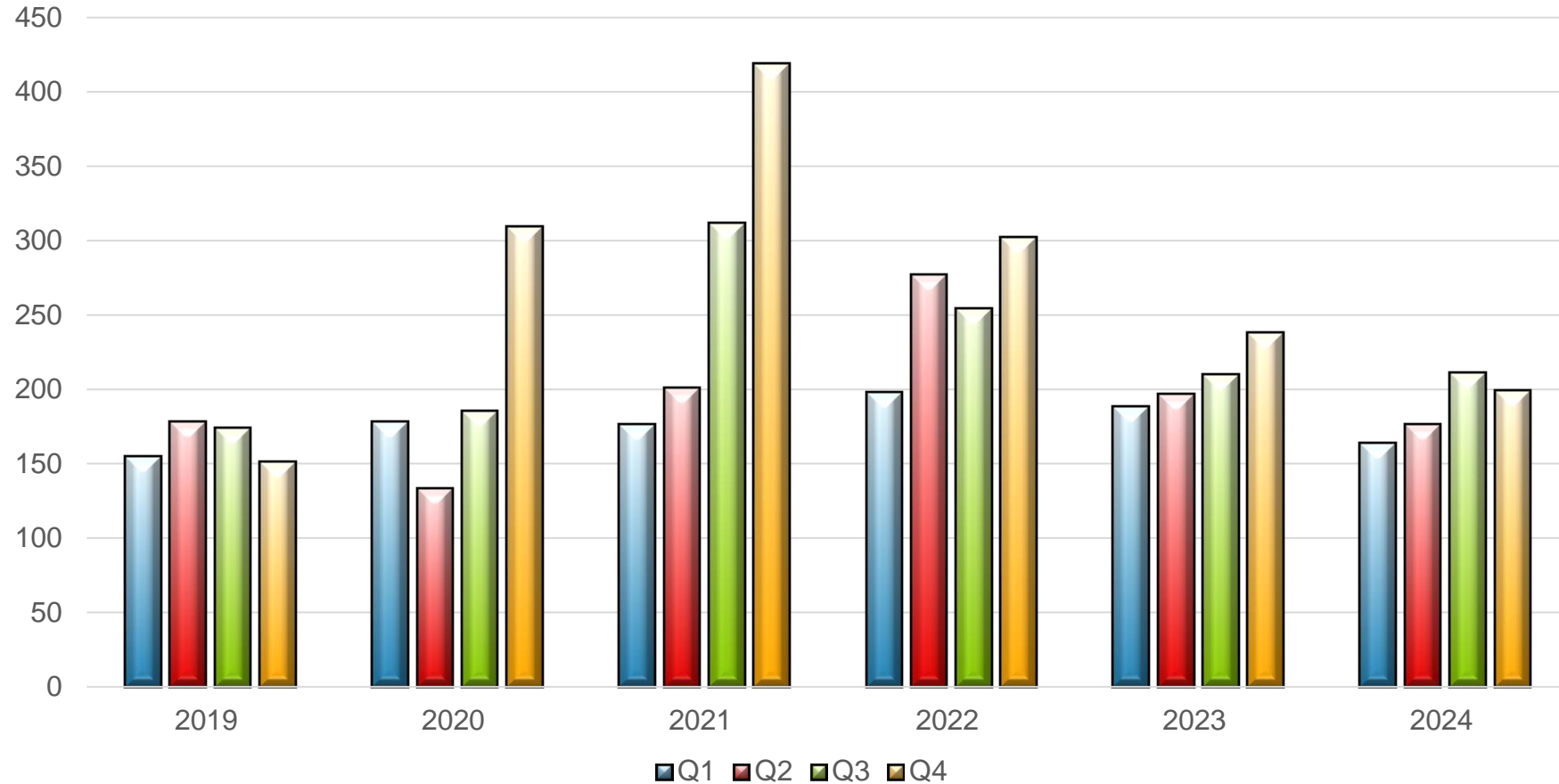


Summary Information

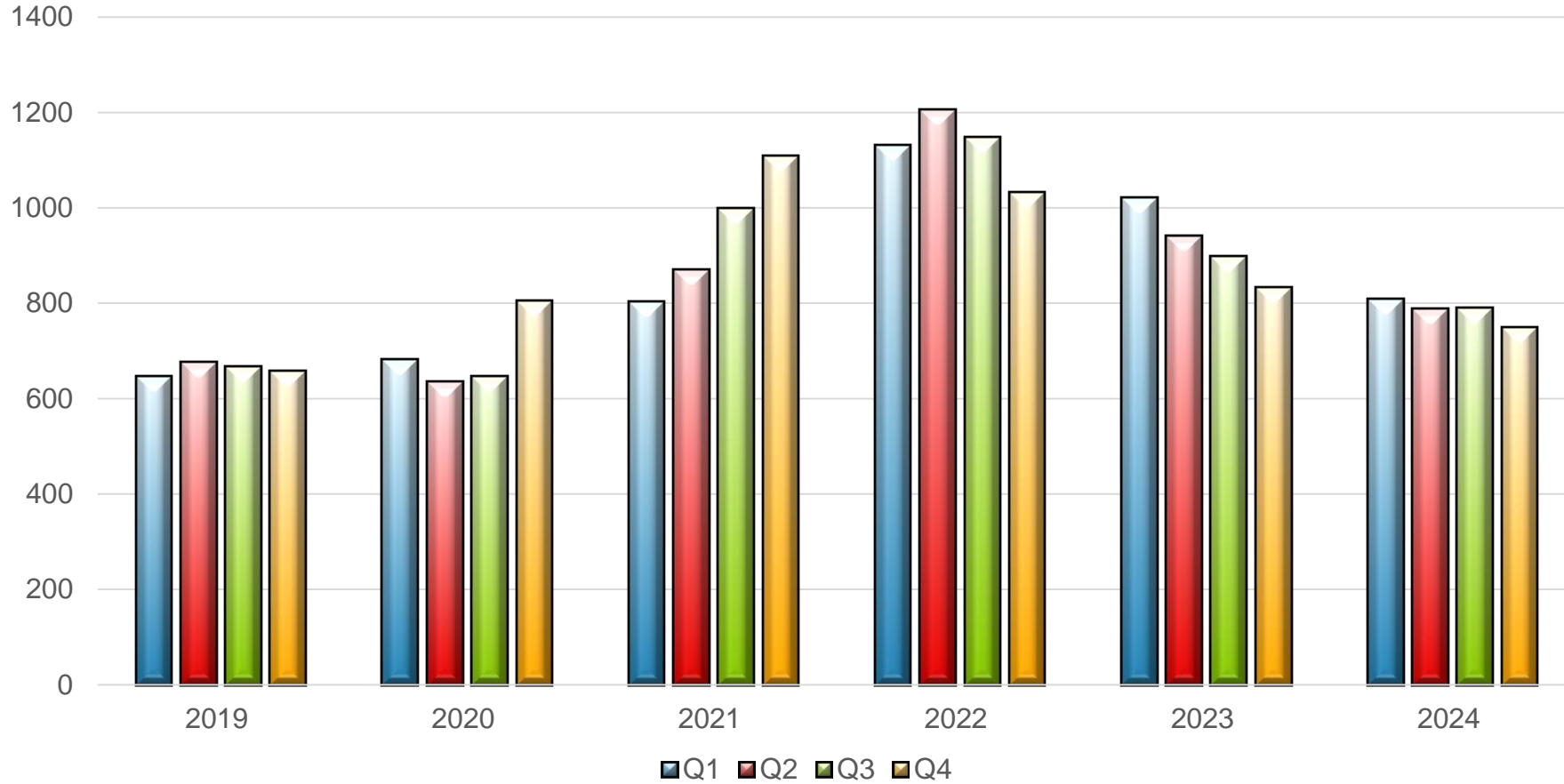
Quarterly M&A Activity



Quarterly M&A Activity



Quarterly Rolling 12-Month M&A Activity



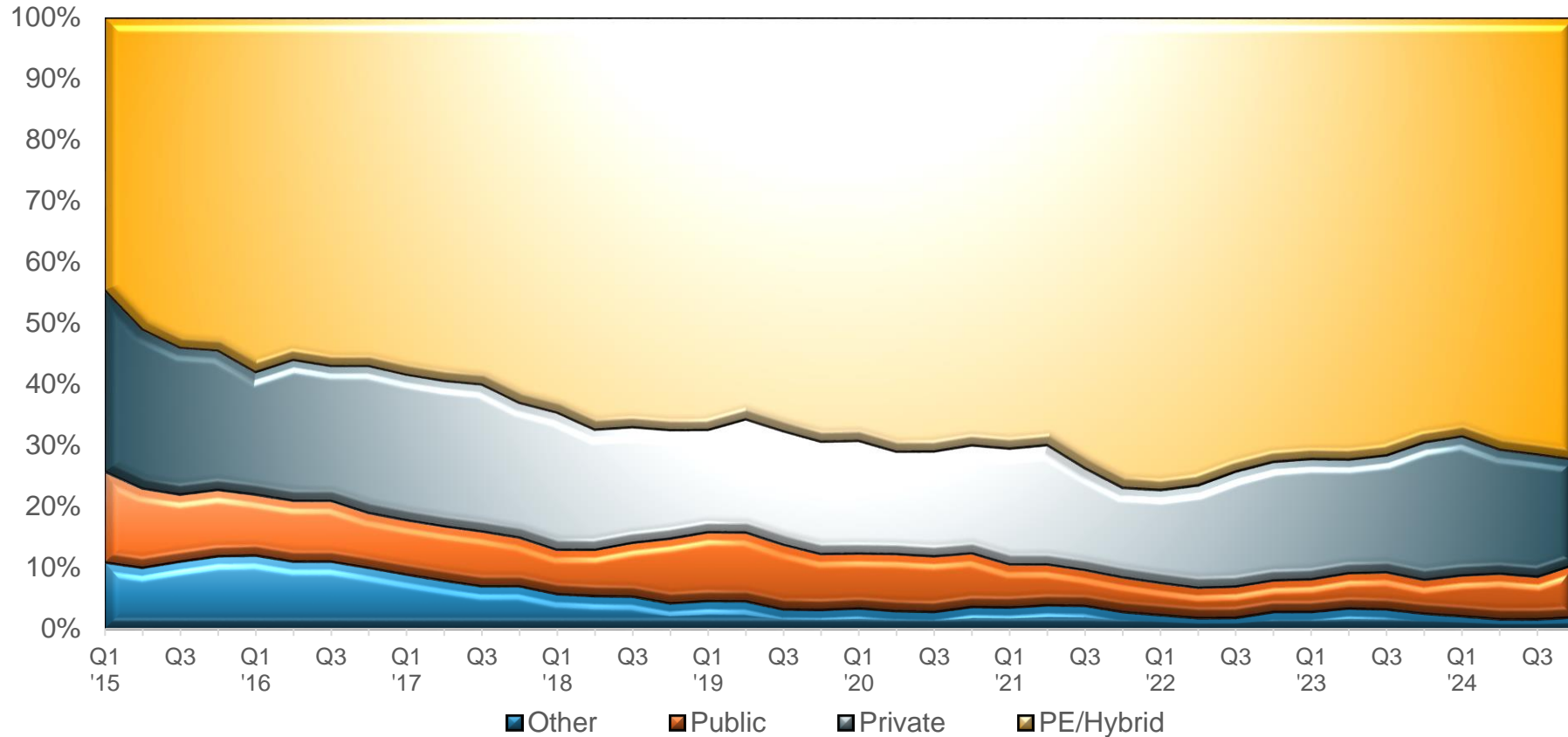
Most Active Buyers

Buyers With 20 or More Deals in 2024

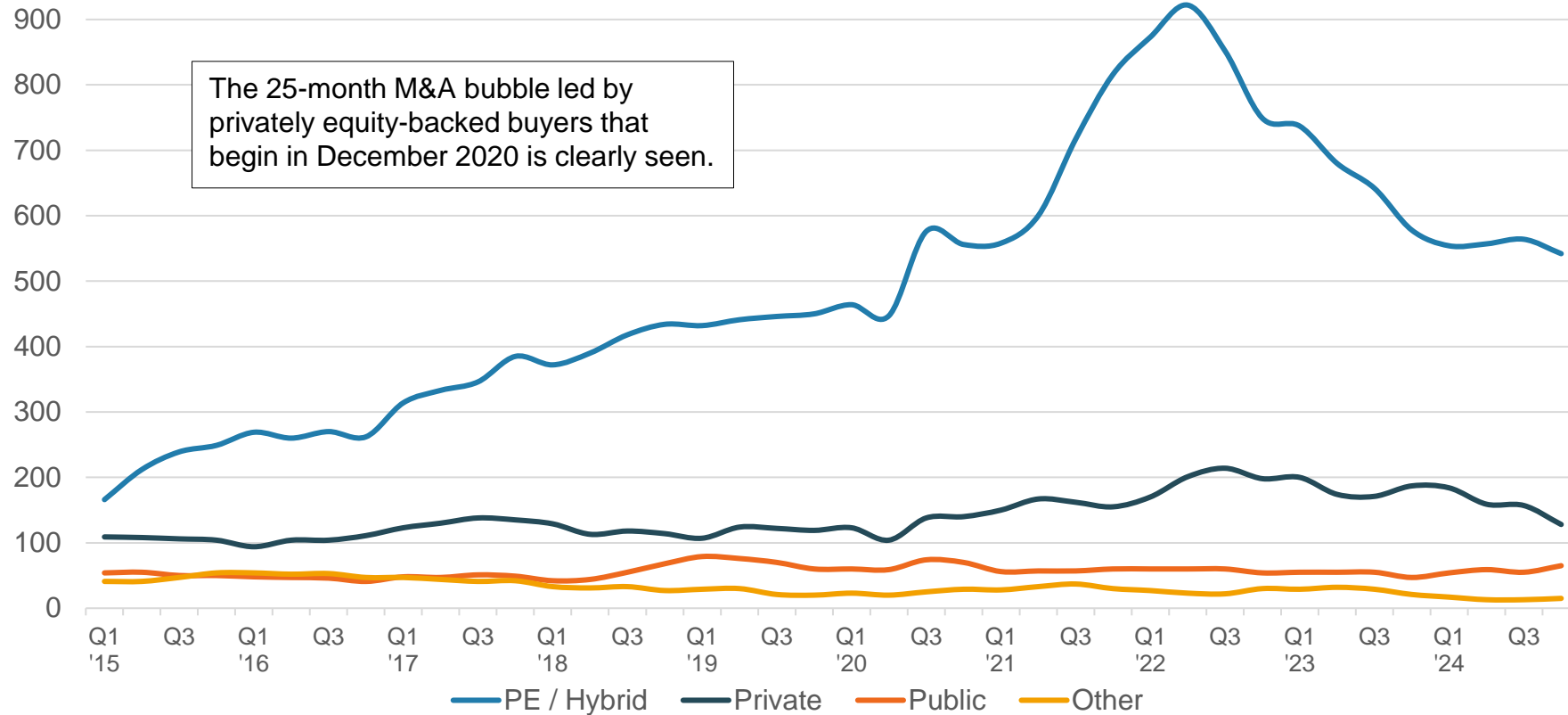
Buyer	Buyer Type	2019	2020	2021	2022	2023	2024
BroadStreet Partners	PE-Hybrid	34	59	45	35	59	90
Hub International	PE-Hybrid	52	65	62	70	66	61
Inszone Insurance Services	PE-Hybrid	6	10	12	42	46	48
Patriot Growth Insurance Services	PE-Hybrid	25	21	31	32	36	35
Gallagher	Public	34	23	25	26	36	31
Leavitt Group	Private	10	12	24	20	34	30
Keystone Agency Partners	PE-Hybrid	0	0	22	29	29	29
Acrisure	PE-Hybrid	98	108	122	107	36	24
ALKEME	PE-Hybrid	0	0	7	11	12	21
High Street Partners	PE-Hybrid	3	9	71	44	24	21
OneDigital	PE-Hybrid	17	32	21	21	19	21
Sub-totals		279	339	442	437	397	411
All Others		378	466	666	594	436	338
Totals for Year		657	805	1,108	1,031	833	749

Totals By Buyer / Seller Type

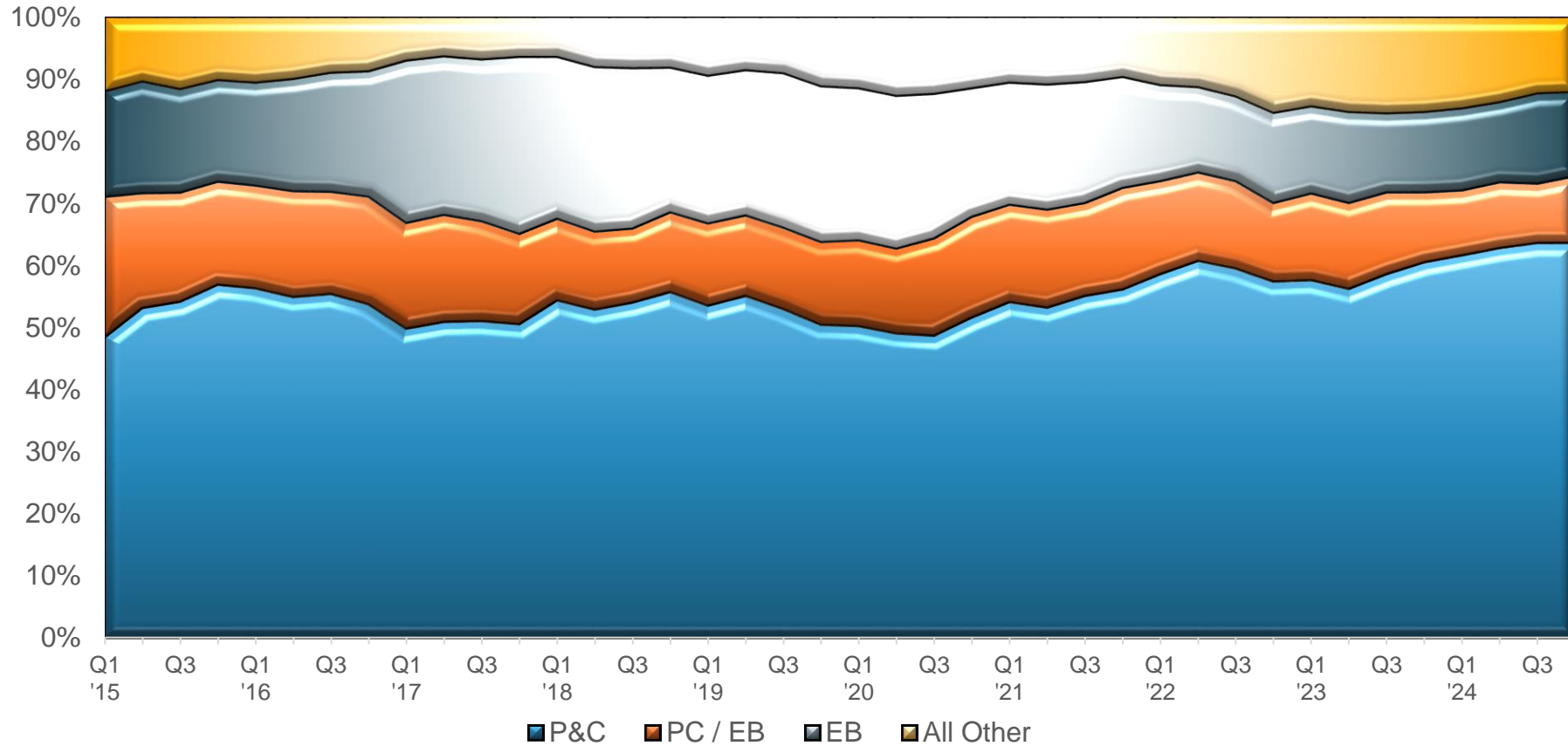
Rolling 12-Month Activity by Buyer Type (% Total)



Rolling 12-Month # Transaction by Buyer Type



Rolling 12-Month Activity by Seller Type (% Total)



Large Broker Transactions in 2024

Seller	Buyer	Estimate 2022 Revenue	Date
NFP Corporation (New York, NY)	AON	\$2 billion	April 2024
Truist Insurance Holdings (Charlotte, NC)	Stone Point Capital / Clayton Dubilier & Rice / Others	\$3.4 billion	May 2024
Fisher Brown Bottrell (Jackson, MS)	Marsh McLennan Agency	\$58 million	June 2024
Wallace Welch & Willingham (St. Petersburg, FL)	IMA Financial Group	\$30 million	August 2024
McGriff Insurance Services (Charlotte, NC)	Marsh McLennan Agency	\$1.3 billion	November 2024

Private Equity-backed Ownership Changes in 2024

Insurance Agency	Lead Buyer / Investor	Description	Date
Truist Insurance Holdings (Charlotte, NC)	Stone Point Capital and Clayton, Dubilier & Rice	Truist sells remaining 80% in owned	May 2024
Axis Insurance Managers (Vancouver, BC)	Lee Equity Partners	A Significant Minority Investment	June 2024
Sunstar Insurance Group (Memphis, TN)	Reverence Capital Partners	Acquisition of a Majority Interest	July 2024

Appendix 1: Ownership of the Most Active Private Equity Buyers in 2024

Broker	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Alliant Insurance Services	KKR	KKR / Stone Point			KKR / Stone Point/Canadian Pension Fund						
Hub	Hellman & Friedman				H&F/Atlas				H&F/Atlas/LGP		
USI	Onex			KKR/CDPQ							
Relation	Parthenon / Century Equity Partners					Aquiline					
Hilb Group	BHMS		ABRY			Carlyle					
Assured Partners	GTCR		Apax			GTCR					
Broadstreet Partners	Ontario Teachers' Pension Fund / Century Equity Partners										
Acrisure	Genstar			Management / Various PE Investors							
Risk Strategies	Kohlberg	Kelso									
One Digital	Fidelity National Financial			New Mountain Capital			Onex				
Alera				Genstar			Genstar / Carlyle				
PCF Insurance				BHMS			O.R./Cresc	Owl Rock/Crescent/HGGC		HGCC/Carlyle	
High Street Partners				Huron Capital			Abry				
Patriot Growth Insurance							Summit Partners		GI Partners / Summit		
World Insurance Assoc							Charlesbank			Chrsbnk/Goldman Sachs	
Inszone Insurance Svcs							BHMS			BHMS/Lightyear	
Oakbridge Insurance							Corsair Capital			Audax	
Keystone Agency Partners							Bain Capital			Bain / Flexpoint Ford	
Choice Financial										Northlane Capital	
King Risk Partners										BHMS	
ALKEME										GCP Capital Partners	

Note: some of the above may have been privately owned before private equity ownership

Appendix 2: Active Buyers - Private Equity / Hybrid

PE / Hybrid	Private Equity Sponsor	2020	2021	2022	2023	2024	5 Year Totals	
Top Buyers since 2020:								
1	BroadStreet Partners	Ontario Teachers Pension Fund	59	45	35	59	86	284
2	Hub International	Hellman & Friedman/Atlas/LGP	65	62	70	66	61	324
3	Inszone Insurance Services	BHMS/Lightyear	6	12	42	46	48	154
4	Patriot Growth Insurance Svc	GI Partners/Summit	21	31	32	36	35	155
5	Keystone Agency Partners	Bain Capital	7	22	29	29	29	116
6	Acrisure	Kelso	108	122	107	36	24	397
T7	OneDigital	Onex/New Mountain	32	21	21	19	21	114
T7	ALKEME	GCP Capital Partnes	0	7	11	12	21	51
T7	High Street Partners	Abry	9	70	44	24	21	168
10	AssuredPartners	GTCR	38	52	33	26	19	168
Active Buyers			345	444	424	353	365	1,931
All Others			212	395	325	225	176	1,333
Total Transactions			557	839	749	578	541	3,264

Note: NFP has been removed from the private equity/hybrid category and combined with AON in the publicly traded category. The combined firm is listed as AON/NFP for our reporting purposes.

Appendix 3: Active Buyers - Privately Owned

Privately Owned		2020	2021	2022	2023	2024	5 Year Totals
Top Buyers since 2020:							
1	Leavitt Group	12	24	20	34	30	120
2	TrueNorth Cos	10	4	10	12	11	47
3	Heffernan Insurance Brokers	8	11	8	12	9	48
4	Union Bay Risk Advisors	0	0	3	4	8	15
T5	Wheeler & Taylor Insurance	0	0	0	0	5	5
T5	Liberty Company Insurance Brokers	2	10	33	4	5	54
T7	BroadStreet Partners	0	0	0	0	4	4
T7	Sunstar Insurance Group	1	3	6	7	4	21
T7	Ryan Specialty Group	1	2	2	4	4	13
T10	Kaplansky Insurance	1	4	4	4	3	16
T10	Unison	0	0	0	12	3	15
T10	IMA Financial Group	7	8	5	8	3	31
	Active Buyers	42	66	91	101	89	389
	All Others	107	113	107	86	39	452
	Total Transactions	149	179	198	187	128	841

Appendix 4: Active Buyers - Publicly Traded

Publicly Traded		2020	2021	2022	2023	2024	5 Year Totals
Top Buyers since 2020:							
1	Gallagher	23	25	26	36	31	141
2	AON/NFP	1	0	0	0	15	15
3	Marsh McLennan Agencies	5	6	15	4	12	42
4	Brown & Brown	21	12	10	6	8	57
	Active Buyers	50	43	51	46	66	255
	All Others	20	17	3	1	0	41
	Total Transactions	70	60	54	47	66	297

Note: NFP has been removed from the private equity/hybrid category and combined with AON in the publicly traded category. The combined firm is listed as AON/NFP for our reporting purposes.

Appendix 5: Active Buyers - Banks

Banks		2020	2021	2022	2023	2024	5 Year Totals
Top Buyers since 2020:							
T1	First Mid Insurance Group	0	2	0	0	2	4
T1	MountainOne Insurance Agency	0	0	1	0	2	3
T2	Truist	5	2	4	1	1	13
T2	Truliant Federal Credit Union	0	0	0	0	1	1
T2	MCS Insurance	0	0	0	0	1	1
Active Buyers		5	4	5	1	7	22
All Others		12	14	18	9	0	53
Total Transactions		17	18	23	10	7	75

Appendix 6: Active Buyers - All Others

All Others		2020	2021	2022	2023	2024	5 Year Totals
Top Buyers since 2020:							
1	Brokerlink Inc.	0	0	0	6	3	9
T2	Origin Specialty Underwriters Agcy	0	0	0	0	1	1
T2	RiverStone International	0	0	0	0	1	1
T2	Titan Aerospace Insurance	0	0	0	0	1	1
	Jewelers Mutual	0	0	0	0	1	1
	AAA Western and Central NY	0	0	0	0	1	1
	Active Buyers	0	0	0	6	8	14
	All Others	12	12	7	5	0	36
	Total Transactions	12	12	7	11	8	50

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